

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 INR-10
LAB-04 NSAE-00 SIL-01 /043 W
-----048785 251608Z /44
R 242215Z JUL 78
FM AMEMBASSY SAN SALVADOR
TO SECSTATE WASHDC 8971
INFO AMEMBASSY GUATEMALA
AMEMBASSY TEGUCIGALPA

C O N F I D E N T I A L SECTION 1 OF 2 SAN SALVADOR 3816

GUATEMALA FOR IESCA (AL WARREN); STATE ALSO FOR LA/MRSD (GEORGE PHILLIPS)

E.O. 11652: GDS
TAGS: ELAB, ES, EAGR, PGOV, SHUM
SUBJECT: UNION COMUNAL SALVADORENA (UCS): AFL-CIO VISIT TO EL SALVADOR

REF: (A) STATE 175145, (B) SAN SALVADOR 3310, (C) SAN SALVADOR 3626, (D) SAN SALVADOR 3583

SUMMARY. AFL-CIO GROUP VISITED EL SALVADOR JULY 17-24 TO LOOK INTO ALLEGATIONS OF GOES HARASSMENT OF UNION COMUNAL SALVADORENA (UCS). GROUP MET WITH MEMBERS OF UCS' NATIONAL EXECUTIVE COUNCIL (CEN), DEPARTMENTAL REPRESENTATIVES OF UCS, AND THE GOES COMMISSION ON UCS MATTERS, AS WELL AS WITH AMBASSADOR, DCM AND OTHER EMBOFFS. GROUP DID NOT RECEIVE DEFINITE ANSWER FROM GOES ON WHETHER OR NOT THEY COULD EXTEND LIMITED FORM OF ASSISTANCE TO UCS TO HELP IT OUT WITH RESPECT TO PROBLEMS OF ADMINISTRATION. ONE MEMBER OF AFL-CIO GROUP (AN EMPLOYEE OF AIFLD) STAYED BEHIND TO LOOK INTO INDIVIDUAL CONCERS OF EACH COOPERATIVE. END SUMMARY.

1. AFL-CIO GROUP ARRIVED AS SCHEDULED ON JULY 17 AND
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WAS MET BY LABOR OFFICER. GROUP WAS COMPOSED OF:
ANDREW MC LELLAN, AFL-CIO INTER-AMERICAN REPRESENTATIVE;
SAN HADDAD, MICHAEL HAMMER, AND RICHARD OULAHAN, ALL OF AIFLD.

2. DURING MORNING OF JULY 17, ALL FOUR MEMBERS OF GROUP
(ACCOMPANIED BY LABOR OFFICER) CALL ON UCS HEADQUARTERS

IN SANT TECLA, WHERE THEY HELD A TWO-HOUR DISCUSSION WITH SECRETARY-GENERAL VIERA AND FIVE OTHER MEMBERS OF THE NATIONAL EXECUTIVE COUNCIL (CEN). MC LELLEN EMPAHSIZED THAT THE PURPOSE OF THIS PARTICULAR CALL ON UCS HEADQUARTERS WAS TO GATHER DOCUMENTATION FOR THE CHARGES THAT UCS HAD LEVIED AGAINST GOES. HE AND OTHER MEMBERS OF AFL-CIO GROUP ASKED SOME HARD QUESTIONS OF THE CEN MEMBERS MPRESENT. VIERA SAID THAT FOUR MEMBERS OF COOPERATIVE OF "LA CONCORDIA" IN JAIL SINCE OCTOBER 1977 OVER A CIVIAL SUIT (REF B) WOULD PROBABLY BE RELEASED BY THE END OF THE WEEK.

3. VIERA ALLEGED THAT NEEDED CREDITS FOR THE OPERATIONS OF COOPERATIVES AND BUYING OF NEW LAND HAD BEEN DELIBERATELY HELD UP BY THE GOVERNMENT. IN ANSWER TO GOES COMMENTS THAT UCS PROBLEMS WERE DUE PRIMARILY TO INTERNAL DISSENSION, MEMBERS OF CEN STATED THAT BOTH ROBERTO "TITO" CASTRO (FORMER TECHNICAL ADVISOR) AND JORGE CAMACHO (FORMER ADMINISTRATIVE ADVISOR) HAD BEEN COMPLETELY REMOVED FROM UCS AND THAT CEN WAS ABLE TO DO WITHOUT EITHER ONE OF THEM. VIERA DENIED ALLEGATIONS THAT LOANS FROM GOES-CONTROLLED BANKS WERE BEING HELD UP DUE TO INSOLVENCY OF UCS, CLAIMING THAT UCS DEBT STRUCTURE WAS QUITE SMALL.

4. AFL-CIO GROUP CALLED ON AMBASSADOR LATE ATERNOON ON JULY 19. HAMMER COMMENTED HE WAS GRATIFIED THAT
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IN ITS ANNUAL LABOR REPORT (SAN SALVADOR A-65), EMBASSY HAD APPARENTLY COME TO CONCLUSION THAT AIFLD WAS THE MOST APPROPRIATE U.S. ENTITY TO CONTINUE ASSISTANCE TO THE UCS. AMBASSADOR REPLIED THAT IT HAD NOT BEEN AN EASY DECISION TO MAKE IN THE LIGHT OF CONTINUING GOES SENSITIVITIES ON THE ROLE OF AIFLD AND ACCUSATIONS OVER AIFLD'S PAST ACTIONS.

5. IN A FOUR-AND-A-HALF-HOUR MEETING ON JULY 18, AFL-CIO GROUP MET WITH GOES COMMISSION ON UCS, COMPOSED OF ACTING MINISTER OF THE INTERIOR, MINISTERS OF LABOR AND AGRICULTURE, DIRECTOR OF THE AGRARIAN TRANSFORMATION INSTITUTE (ISTA), AND THE HEADS OF GOES-RUN BANKS OF FEDICREDITO AND BANCO DE FOMENTO AGROPECUARIO (BFA). AFL-CIO GROUP TERMED DISCUSSIONS AS QTE FRANK, CLEARING THE AIR, AND LETTING US KNOW WHERE BOTH SIDES STAND UNQTE. HADDAD STATED THAT AFL-CIO GROUP READILY ADMITTED THAT, WHETHER OR NOT ALLEGATIONS AGAINST GOES SET FORTH BY CEN TURNED OUT TO BE COMPLETELY ACCURATE, THE UCS HAD SUFFERED BASIC PROBLEMS IN THE AREAS OF ACCOUNTING AND ADMINISTRATION. FOR THIS REASON, HADDAD STATED THAT AFL-CIO GROUP HAD ASKED GOES COMMISSION THAT OULAHAN BE PERMITTED TO STAY ON FOR

AN INDEFINITE PERIOD, WORK WITH THE GOES ADVISORS
ASSIGNED TO THE UCS, AND DETERMINE THE INDIVIDUAL
PROBLEMS OF ALL THE UCS COOPERATIVES. MEMBERS OF GOES
COMMISSION SAID THEY WOULD TRY TO ANSWER THIS REQUEST
BEFORE THE DEPARTURE OF THE AFL-CIO GROUP. MEMBERS OF
THE AFL-CIO GROUP TOLD EMBOFFS THAT AT NO TIME DURING
THE DISCUSSIONS DID THEY OR THE GOVERNMENT RAISE THE
QUESTION OF AIFLD'S REOPENING AN OFFICE IN EL SALVADOR.

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LAB-04 NSAE-00 SIL-01 /043 W
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C O N F I D E N T I A L SECTION 2 OF 2 SAN SALVADOR 3816

GUATEMALA FOR IESCA (AL WARREN); STATE ALSO FOR LA/MRSD (GEORGE
PHILLIPS)

6. IN A THREE-HOUR MEETING ON JULY 18 (ATTENDED BY
LABOR OFFICER), MEMBERS OF AFL-CIO GROUP MET WITH
REPRESENTATIVES OF ALL UCS COOPERATIVES TO HEAR ABOUT
THEIR INDIVIDUAL CONCERNS. MANY OF THESE REPRESENTATIVES
CLAIMED THERE HAD BEEN A DELAY IN CREDITS FROM BFA FOR
BOTH OPERATING EXPENSES AND BUYING OF NEW LANDS AND
CLAIMED THAT ONE BFA OFFICIAL (GONZALEZ CABRERA) IN
PARTICULAR HAD BEEN RESPONSIBLE. ROSLAES, ONE OF
THREE GOES ADVISORS TO UCS, STATED THAT BFA HAD INDEED
HELP UP CREDITS FOR LAND THAT UCS HAD WANTED TO BUY
AND ASKED THE AFL-CIO GROUP TO HELP OUT ON THIS PARTI-
CULAR MATTER. ACCORDING TO UCS REPRESENTATIVES, MANY
COOPERATIVES HAD APPARENTLY RUN INTO PROBLEMS WITH
"TERRATENIENTES" OR GREAT LANDOWNERS. HOWEVER, WITH
RESPECT TO ONE COOPERATIVE (GUAJOYO), THE PROBLEMS
WITH GOES-RUN BANKS APPEAR TO HAVE BEEN GREATLY
EXAGGERATED AS HAMMER (VISIBLY ANNOYED) LEARNED THAT A

PLAN HE AND ROSALES HAD WORKED OUT ON HIS VISIT TO EL SALVADOR LAST FEBRUARY-MARCH FOR GUAJOYO TO GROW FOUR TYPES OF CROPS (NOT ALL OF THEM DEPENDENT ON BANK CREDITS)
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HAD NOT BEEN IMPLEMENTED, AND THAT ONLY 250 "MANZANAS" OUT OF A POSSIBLE 1,200 HAD BEEN CULTIVATED.

7. AFL-CIO GROUP ALSO TALKED WITH AID OFFICIALS (INCLUDING THOSE PRESENT AT RECEPTION HOSTED BY DCM EVENING OF JULY 18) CONCERNING A PROBLEM VIERA RAISED WITH RESPECT TO "COOPERATIVA DE SERVICIOS MULTIPLES", AN ENTITY WITHIN THE UCS, HAVING BEEN THE GROUP TO ARRANGE A SERIES OF SEMINARS FOR THE UCS HELD THIS YEAR ON FAMILY PLANNING AND COOPERATIVISM (SAN SALVDOR 2069). ACCORDING TO VIERA, "SERVICIOS MULTIPLES" HAS HELD NO ELECTIONS SINCE IT WAS SET UP, HAS TENDED TO DETRACT FROM THE AUTHORITY OF THE CEN, AND ITS SEMINARS HAVE BEEN HEAVILY WEIGHTED IN FAVOR OF MEMBERS OF UCS COOPERATIVES FROM THE WESTERN (AS OPPOSED TO THE EASTERN) DEPARTMENTS OF EL SALVADOR. MORE IMPORTANTLY, VIERA CLAIMED THAT ADHERENTS OF "TITO" CASTRO PREDOMINATE IN THE ORGANIZATION AND THAT HE WAS USING IT AS A POSSIBLE PLATFORM FROM WHICH TO REGAIN CONTROL OF THE UCS. SINCE SEMINARS HAD BEEN CONTRACTED FOR THROUGH AID/WASHINGTON WITH DEVELOPMENT ASSOCIATES INS. (DAI), AFL-CIO GROUP DECIDED TO DISCUSS ALLEGATIONS WITH AID/WASHINGTON. WHEN HEAD OF DAI WAS THROUGH EL EL SALVADOR A FEW MONTHS AGO, HE TOLD EMBOFFS THAT ALL ARRANGEMENTS FOR SEMINARS ON DAI'S PART HAD BEEN HANDLED THROUGH "TITO" CASTRO WHO AT THE TIME HAD APPARENTLY LEFT HIS POSITON AS TECHNICAL ADVISOR TO THE UCS.

8. ON EVENING OF JULY 20, HAMMER CALLED LABOR OFFICER TO STATE THAT ACTING MINISTER OF THE INTERIO OSCAR RODRIGUEZ DIAZ HAD CALLED HIM TO STATE THAT QUESTION OF ALLWOING AFILD TO EXTEND LIMITED ASSISTANCE TO UCS IN AREAS OF ADMINISTRATION HAD NOT BEEN RESOLVED NOR HUD
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QUESTION OF ALLWOING AIFLD EMPLOYEE OULAHAN TO STAY BEHIND TO LOOK INTO CONCERNS OF INDIVIDUAL UCS COOPERATIVES. HAMMER REPORTED THAT RODRIGUEZ HAD STATED THAT THESE "SECONDARY" ISSUES COULD NOT BE RESOLVED UNTIL THE "PRIMARY " ISSUE (STILL "PENDING" FROM HAMMER'S FEB-RARY VISIT) OF LETTING AN AIFLD OFFICE BE REESTABLISHED

IN EL SALVADOR HAD BEEN RESOLVED. RODRIGUEZ REPORTEDLY INDICATED TO HAMMER THAT "PRIMARY" ISSUE WOULD BE DETERMINED BY THE MINISTER OF LABOR.

9. IN A CONVERSATION MORNING OF JULY 20, MC LELLAN AND HAMMER TOLD LABOR OFFICER THAT IN THE ABSENCE OF A "YES" OR "NO" ANSWER FROM GOES ON LETTING OULAHAN STAY, OULAHAN HAD BEEN ORDERED BY THEM TO STAY ON AND LEND WHAT ASSISTANCE HE COULD TO UCS. THEY ALSO SAID THAT BASED ON A MEETING WITH FELIPE ZALDIVAR, SECRETARY-GENERAL OF FESINCONSTRANS, OULAHAN MIGHT LEND SOME ASSISTANCE TO THAT LABOR FEDERATION. WHEN LABOR OFFICER POINTED OUT THAT THIS COULD CAUSE PROBLEMS AS OULAHAN WAS IN EL SALVADOR ONLY ON A TOURIST VISA, HAMMER SAID THAT THE UCS AND FESINCONSTRANS HAD AGREED TO TAKE THE BLAME IF ANY PROBLEMS AROSE AND STATE THAT OULAHAN WAS HERE AT THEIR REQUEST. LABOR OFFICER THEN POINTED OUT SECURITY PROBLEMS IN COUNTRY WERE SUCH THAT OULAHAN SHOULD KEEP IN CLOSE TOUCH WITH EMBASSY. MC LELLAN AND HAMMER AGREED TO THIS.

10. MC LELLEN, HADDAD AND HAMMER LEFT SAN SALVADOR MORNING OF JULY 20 ON PAN AM 504.
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Message Attributes

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